

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, July 13, 2011
Start Date/Time:	7/13/2011 11:30:00 AM
End Date/Time:	7/15/2011 5:00:00 PM
Last Inspection:	Wednesday, June 22, 2011

Inspector: Karl Houskeeper

Weather: Clear, Temp 78 Deg. F.

InspectionID Report Number: 2800

Accepted by: jhefric

7/28/2011

Permitee: **ALTON COAL DEVELOPMENT LLC**

Operator: **ALTON COAL DEVELOPMENT LLC**

Site: **COAL HOLLOW**

Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**

County: **KANE**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

635.64	Total Permitted
435.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☐ State
☐ County
☒ Fee
☐ Other

Types of Operations

- ☐ Underground
☒ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Mining is still taking place in Pit #2. Pit #2 was being mined during the inspection.

Inspector's Signature:

Karl R. Houskeeper

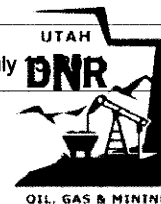
Date

Friday, July 1

Karl Houskeeper,

Inspector ID Number: 49

Note: This inspection report does not constitute an official statement of compliance with the regulatory program of the Division of Oil, Gas and Mining.
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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit C/025/0005 was issued effective 11/08/2010 and expires 11/08/2015.

-Certificate of Insurance policy number MNG880007-01, issued 06/01/2011 and terminates 06/01/2012.

-UPDES permit # UTG040027 effective 05/01/2009 and expires @ midnight 04/30/2013.

-Air Quality permit DAQE-AN0140470-02-10, issued November 10, 2010.

-SPCC Plan dated 05/04/2011. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E.

2. Signs and Markers

Observed mine identification signs at Three points of access into the permit area from the county road. The signs contained the required information,

3. Topsoil

A new topsoil pile has just been completed adjacent to Pit #1 (west side of Haul road). The topsoil pile still needs to have berms and protection established.

4.a Hydrologic Balance: Diversions

Observed the re-routed portion of Robinsions Creek.

The culvert inlet at the main entrance into the permit area needs to be cleaned. Sediments have accumulated to 50% of the inlet.

The culvert inlet that leads into Pond #1 needs to be cleaned. Sediments have accumulated to 50% of the culvert inlet.

The culvert inlet that leads into Pond 1B has been smashed. Efforts have been made to open the inlet back up. The culvert needs to be replaced as the needed diameter has not been obtained and the operator did not feel that it could be opened and needed replacement in order to comply.

An amendment has been submitted to the Division and is under review that address Diversion Ditch #2.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds 1, 1B, 2 and 3 were inspected and certified on Jun 15, 2011 by Dan Guy a registered professional engineer in the State of Utah.

4.e Hydrologic Balance: Effluent Limitations

Reviewed the discharge monitoring reports for October, November and December 2010, January, February, March, April and May 2011. The March 2011 report indicated exceeded parameters for ponds 2 and 3 for TDS. DEQ was notified of the exceeded parameters by letter. Pond 3 discharged in April 2011 but did not exceed any parameters.

6. Disposal of Excess Spoil, Fills, Benches

The excess spoil pile was inspected and certified on June 15, 2011 by Dan Guy a registered professional engineer in the State of Utah. No signs of instability were noted.

20. Air Quality Permit

DAQEAN0140470002-10 ISSUED November 10, 2010.

21. Bonding and Insurance

Bond #1057708 for \$6,045,000.00 on October 22, 2010.